

RECORDATION FORM COVER SHEET  
TRADEMARKS ONLY

To the director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies)/Execution Date(s):

MEGA Brands International

- Individual(s)
- General Partnership
- Corporation-State
- Other: Company
- Association
- Limited Partnership

Citizenship (see guidelines) Luxembourg

Execution Date(s) March 30, 2010

Additional names of conveying parties attached?  Yes  No

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached?  Yes  No

Name: Wachovia Capital Finance Corporation (New England), as

Agent

Internal Address: \_\_\_\_\_

Street Address: 150 South Wacker Drive

City: Chicago

State: IL

Country: USA

Zip: 60606

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other \_\_\_\_\_
- Merger
- Change of Name

- Association Citizenship \_\_\_\_\_
- General Partnership Citizenship \_\_\_\_\_
- Limited Partnership Citizenship \_\_\_\_\_
- Corporation Citizenship Massachusetts
- Other  Citizenship

If assignee is not domiciled in the United States, a domestic representative designation is attached.  Yes  No  
(Designations must be a separate document from assignment)

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s) See Attached Schedule I

B. Trademark Registration No.(s) See Attached Schedule I

Additional sheet(s) attached?  Yes  No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown)

5. Name address of party to whom correspondence concerning document should be mailed:

Name: Susan O'Brien

Internal Address: UCC Direct Services

Street Address: 187 Wolf Road, Suite 101

City: Albany

State: NY

Zip: 12205

Phone Number: 800-342-3676

Fax Number: 800-962-7049

Email Address: cls-udsalbany@wftersklowers.com

6. Total number of applications and registrations involved: 120

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 3015

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed

8. Payment Information:

a. Credit Card Last 4 Numbers 5683  
Expiration Date 10/12

b. Deposit Account Number \_\_\_\_\_  
Authorized User Name: \_\_\_\_\_

9. Signature: \_\_\_\_\_

Signature

Mercedes Farinas  
Name of Person Signing

3/30/10  
Date

Total number of pages including cover sheet, attachments, and document. 28

Documents to be recorded (including cover sheet) should be faxed to (703) 306-8995, or mailed to:

OP \$2990.00 77853593

SCHEDULE I  
TO  
TRADEMARK SECURITY AGREEMENT  
MEGA BRANDS INTERNATIONAL

Trademark Registrations/Applications

Country	Trademarks	Serial No.	Filing date	Reg. No.	Reg. date	Status
US	AQUA PIX	77-052,181	Nov 28 2006	3 524 705	Oct 28 2008	Registered
US	B'CHIC	77-026,104	Oct 20 2006	3619760	2009-May-12	Registered
US	B'CHIC	77-355,427	Dec 19 2007	3667368	2009-Aug-19	Registered
US	BATTLE STRIKERS	77/853,593	2009-Oct-21			Pending
US	BATTLE STRIKERS TURBO TOPS	77-648,128	Jan 13 2009	3732598	2009-Dec-29	Registered
US	BATTLE STRIKERS TURBO TOPS	77-648128	2009-Jan-13	3732598	2009-Dec-29	Registered
US	BATTLE STRIKERS TURBO TOPS & design	77-648,550	Jan 13 2009	3732600	2009-Dec-29	Registered
US	BORDERS	78-297,101	Sep 08 2003	2 849 958	Jun 01 2004	Registered
US	BUCKET FULLA FUN	74-253,073	Mar 09 1992	1 795 973	Sep 28 1993	Registered
US	BUILDERXTREME	78-311,119	Oct 08 2003	2 931 979	Mar 08 2005	Registered
US	BUILDERXTREME & design	78-311,116	Oct 08 2003	2 931 978	Mar 08 2005	Registered

Country	Trademarks	Serial No.	Filing date	Reg. No.	Reg. date	Status
US	CASE FULLA FUN	74-253,074	Mar 09 1992	1 782 180	Jul 13 1993	Registered
US	CELEBRITY	78-281,859	Aug 01 2003			Pending
US	CLAY CREATIONS	74-733,196	Sep 22 1995	2 058 308	Apr 29 1997	Registered
US	CLICK & SLIDE	78-338,440	Dec 09 2003	2 999 095	Sep 20 2005	Registered
US	CLIP 'N COLOR	78-253,672	May 23 2003	2 958 133	May 31 2005	Registered
US	COLOR CASE	74-193,092	Aug 09 1991	1 783 419	Jul 20 1993	Registered
US	COLOR GEAR	74-498,874	Mar 10 1994	1 968 835	Apr 16 1996	Registered
US	COLOR START	77-111,350	Feb 20 2007	3 581 052	Feb 24 2009	Registered
US	COLORSHARP	78-161,619	Sep 06 2002	2 835 435	Apr 20 2004	Registered
US	COLORVIEW	78-194,425	Dec 13 2002	2 866 586	Jul 27 2004	Registered
US	COOL BOX	75-181,905	Oct 16 1996	2 181 276	Aug 11 1998	Registered
US	CRAZYSKINZ	76-335,475	Nov 07 2001	2 870 048	Aug 03 2004	Registered
US	CREATION STATION	74-608,993	Dec 09 1994	2 036 385	Feb 11 1997	Registered
US	CREATIVE COLORING	74-396,975	May 28 1993	1 835 424	Feb 15 1994	Registered
US	CRYSTALS & CANDLELIGHT	78-647,989	Jun 10 2005	3 150 014	Sep 26 2006	Registered
US	CRYSTALS & CANDLELIGHT & design	78-647,982	Jun 10 2005	3,150,013	Sep 26 2006	Registered

Country	Trademarks	Serial No.	Filing date	Reg. No.	Reg. date	Status
US	CURVES	75-222,646	Jan 08 1997	2 179 467	Aug 04 1998	Registered
US	DAZZLING JEWELS (Stylized)	77-460,792	Apr 29 2008	3,624,375	2009-May-19	Registered
US	Dog with crayon design	74-011,901	Dec 18 1989	1 612 045	Sep 04 1990	Registered
US	ESPIERA 360°	78-516,018	Nov 12 2004	3 045 642	Jan 17 2006	Registered
US	ESPIERA 360° & design	78-529,063	Dec 08 2004	3 079 005	Apr 11 2006	Registered
US	EVERLAST	77/946,301	2010-Feb-26			Pending
US	EVERYTHING KIDS NEED TO COLOR THEIR WORLD	74-229,016	Dec 10 1991	1 819 473	Feb 01 1994	Registered
US	FASHION MAKER	74-227,544	Dec 04 1991	1 775 864	Jun 08 1993	Registered
US	Figure on pencil design	76-120,505	Aug 31 2000	2 640 536	Oct 22 2002	Registered
US	FUZZY	74-674,246	May 15 1995	2 016 492	Nov 12 1996	Registered
US	FUZZY	76-157,924	Nov 02 2000	2 498 335	Oct 16 2001	Registered
US	FUZZY ART	78-827,713	Mar 02 2006			Pending
US	FUZZY POSTERS	74-558,878	Aug 09 1994	1 914 886	Aug 29 1995	Registered
US	GLITTER MAGIC	76-249,849	May 02 2001	2 634 531	Oct 15 2002	Registered
US	GLITTER MAGIC & design	72-098,660	Jun 08 1960	0,716,601	Jun 06 1961	Registered
US	GREAT GRIP	75-292,434	May 15 1997	2 139 265	Feb 24 1998	Registered

Country	Trademarks	Serial No.	Filing date	Reg. No.	Reg. date	Status
US	GREAT GRIPS	74-699,484	Jul 07 1995	2 182 621	Aug 18 1998	Registered
US	GREAT GRIPS	75-189,623	Oct 29 1996	2 091 443	Aug 26 1997	Registered
US	HOMETOWN COLLECTION	77-897977	2009-Dec-21			Pending
US	ICICLES	78-246,071	May 06 2003	2 925 908	Feb 08 2005	Registered
US	I-GEL (stylized)	78-190,149	Dec 02 2002	2 917 197	Jan 11 2005	Registered
US	INSTANT BAKE & design	78-278,801	Jul 23 2003	2 930 615	Mar 08 2005	Registered
US	IT'S DEFINITELY ME	78-340,771	Dec 15 2003	3 151 593	Oct 03 2006	Registered
US	LAZER STIX (stylized)	74-018,217	Jan 11 1990	1 618 759	Oct 23 1990	Registered
US	LIGHTASTIC	78-498,918	Oct 13 2004	3 143 265	Sep 12 2006	Registered
US	LIGHTASTIX	78-282,924	Aug 04 2003	3 088 308	May 2 2006	Registered
US	LIMITED EDITION	76-387,888	Mar 26 2002	2 809 561	Jan 27 2004	Registered
US	MAGIC PIX	77-052,176	Nov 28 2006	3 524 704	Oct 28 2008	Registered
US	MAGIC SPIN ART	76-207,092	Feb 08 2001	2 918 311	Jan 18 2005	Registered
US	MAGICOLOR CHANGERS	75-207,687	Dec 04 1996	2 894 009	Oct 19 2004	Registered
US	MAGNABEADS	78-596,453	Mar 28 2005	3 188 123	Dec 19 2006	Registered
US	MAGNALOGS	78-704,408	Aug 31 2005	3 248 519	May 29 2007	Registered

Country	Trademarks	Serial No.	Filing date	Reg. No.	Reg. date	Status
US	MAGNAMODEL	78-655,031	Jun 21 2005	3 245 480	May 22 2007	Registered
US	MAGNAWHEELS	78-547,627	Jan 14 2005	3 160 456	Oct 28 2008	Registered
US	MAGNETIX	78-215,874	Feb 18 2003	2 852 063	Jun 08 2004	Registered
US	MAGNETIX & design	78-226,328	Mar 17 2003	2 856 972	Jun 22 2004	Registered
US	MAGNETIX MAGNA-MAN	78-498,878	Oct 13 2004	3 184 557	Dec 12 2006	Registered
US	MAGNEXT	77-250,931	Aug 09 2007	3 521 953	Dec 04 2007	Registered
US	MAGNEXT	77-295,783	Oct 04 2007	3 616 853	2009-May-05	Registered
US	MAGNEXT DYNAMIX	77-302,908	Oct 12 2007	3 544 667	Dec 09 2008	Registered
US	MARKER MATE	78-313,810	Oct 15 2003	2 897 404	Oct 26 2004	Registered
US	MIRACLE ERASER	74-397,992	Jun 07 1993	1 951 703	Jan 23 1996	Registered
US	NAIL DESIGNER	76-227,771	Mar 21 2001	2 737 948	Jul 15 2003	Registered
US	ORIGINAL FUZZY POSTER & DESIGN	77-393,887	Feb 11 2008	3 542 227	Dec 02 2008	Registered
US	PRESTIGE	74-298,116	Jul 27 1992	1 781 565	Jul 13 1993	Registered
US	PRESTOMAGIX	73-190,118	Oct 20 1978	1 194 039	Apr 20 1982	Registered
US	PROCOLOR	76-354,058	Dec 31 2007	2 854 417	Jun 15 2004	Registered
US	PRO-TOUCH	78-853,374	Apr 04 2006	3 327 604	Oct 30 2007	Registered

Country	Trademarks	Serial No.	Filing date	Reg. No.	Reg. date	Status
US	ROSE ART	74-632,511	Feb 10 1995	1 957 625	Feb 20 1996	Registered
US	ROSE ART	74-632,512	Feb 10 1995	1 957 626	Feb 20 1996	Registered
US	ROSE ART	74-632,766	Feb 10 1995	1 957 628	Feb 10 1996	Registered
US	ROSE ART & design	77-105,786	Feb 13 2007	3 463 276	Jul 08 2008	Registered
US	ROSE ART & design	77-105,789	Feb 13 2007	3 524 833	Oct 28 2008	Registered
US	ROSE ART & design	77-105,790	Feb 13 2007	3576786	2009-Feb-17	Pending
US	ROSE ART & design	77-109,000	Feb 16 2007	3 485 658	Aug 12 2008	Registered
US	ROSE ART & design	77-109,003	Feb 16 2007	3 524 842	Oct 28 2008	Registered
US	ROSE ART & design	77-109,007	Feb 16 2007	3587728	2009-Mar-10	Pending
US	ROSE ART & design (oval)	74-305,858	Aug 20 1992	1 822 018	Feb 15 1994	Registered
US	ROSE ART & design (oval)	74-333,278	Nov 23 1992	1 833 319	Apr 26 1994	Registered
US	ROSE ART BRAND SINCE 1923 & design	78-519,841	Nov 19 2004	3 049 853	Jan 24 2006	Registered
US	ROSE ART BRAND SINCE 1923 & design	78-519,842	Nov 19 2004	3 049 854	Jan 24 2006	Registered
US	ROSE ART FUN DOUGH	74-681,255	May 25 1995	1 968 561	Apr 16 1996	Registered
US	ROSE ART FUN DOUGH logo	74-681,252	May 26 1995	1 967 00	Apr 09 1996	Registered
US	ROSE ART FUN DOUGH TO GO	75-089,918	Apr 17 1996	2 269 344	Aug 10 1999	Registered

Country	Trademarks	Serial No.	Filing date	Reg. No.	Reg. date	Status
US	ROSE ART SINCE 1923 & design	75-899,905	Jan 21 2000	2 891 489	Oct 5 2004	Registered
US	SCENTED SCENES (Stylized)	77-383,076	Jan 29 2008	3 542 221	Dec 02 2008	Registered
US	SCRAPPABULOUS!	78-351,185	Jan 13 2004	3 142 928	Sep 12 2006	Registered
US	SMART DOUGH	77-034,012	Nov 01 2006			Pending
US	SPARKLE 'N GLITTER NAIL DESIGNER	78-157,112	Aug 23 2002	2 841 664	May 11 2004	Registered
US	SRX	77-124,467	Mar 07 2007	3 576 832	Feb 17 2009	Registered
US	SRX EDGE	77-214,172	Jun 25 2007	3 525 128	Oct 28 2008	Registered
US	SRX GREEN	77-383,080	Jan 29 2008	3 648 359	2009-Jun-30	Registered
US	SRX QUEST	77-120,511	Mar 02 2007	3 463 381	Jul 08 2008	Registered
US	SRX STIX	77-214,170	Jun 25 2007	3 525 127	Oct 28 2008	Registered
US	STOCK 'N LIFT	74-281,851	Jun 08 1992	1 773 075	May 25 1993	Registered
US	SUPER STUFF	74-613,664	Dec 21 1994	2 036 039	Feb 04 1997	Registered
US	SUPER TIP	76-353,742	Dec 31 2001	2 763 451	Sep 16 2003	Registered
US	SUPER TUBES	74-435,245	Sep 09 1993	1 847 693	Aug 02 1994	Registered
US	SUPERDRAW	75-222,803	Jan 08 1997	2 198 975	Oct 20 1998	Registered
US	SUPERVIEW	77-583,400	Oct 01 2008	3 615 846	2009-May-05	Registered



Country	Trademarks	Serial No.	Filing date	Reg. No.	Reg. date	Status
US	SURP (stylized)	78-222,828	Mar 07 2003	2 891 954	Oct 05 2004	Registered
US	SWIRL (stylized)	72-028,022	Apr 12 1957	0 659 361	Mar 11 1958	Registered
US	THE MISSING PIECE MYSTERY PUZZLES	78-301,035	Sep 16 2003	2 958 451	May 31 2005	Registered
US	THE MISSING PIECE MYSTERY PUZZLES & design	78-301,029	Sep 16 2003	2 958 450	May 31 2005	Registered
US	THE PERFECT PRESENT	77-049,844	Nov 22 2006	3 409 889	Apr 08 2008	Registered
US	THE REAL CHOCOLATE FOUNTAIN (stylized)	78-523,546	Nov 29 2004	3 096 793	May 23 2006	Registered
US	THINK SMART ROSE ART	78-148,771	Jul 30 2002	3 159 675	Oct 17 2006	Registered
US	THINK SMART ROSE ART	78-975,558	Jul 30 2002	2 900 883	Nov 02 2004	Registered
US	U.S.A. GOLD	75-041,064	Jan 11 1996	2 182 662	Aug 18 1998	Registered
US	VIEW THROUGH THE WINDOW (Stylized)	78-529,086	Dec 08 2004	3 143 401	Sep 12 2006	Registered
US	WARREN	73-420,560	Apr 07 1983	1 278 164	May 15 1984	Registered
US	WARREN & design	73-501,835	Oct 01 1984	1 374 014	Dec 03 1985	Registered
US	X500 (stylized)	78-209,410	Jan 31 2003	2 789 004	Dec 02 2003	Registered

TRADEMARK SECURITY AGREEMENT

This TRADEMARK SECURITY AGREEMENT (this "Agreement") is made this 30th day of March, 2010, between MEGA Brands International, a company incorporated under the laws of the Grand Duchy of Luxembourg as a "société à responsabilité limitée", with its registered office at 16, rue Jean l'Aveugle, L-1148 Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B-99.516 and with a share capital of €876,450 ("Grantor"), and WACHOVIA CAPITAL FINANCE CORPORATION (NEW ENGLAND), in its capacity as administrative agent and collateral agent (in such capacity and together with its successors and assigns, "Agent") acting for and on behalf of the Secured Parties.

## WITNESSETH:

WHEREAS, pursuant to that certain Loan Agreement of even date herewith (as the same now exists or may hereafter be amended, restated, supplemented, modified, extended, renewed or replaced, from time to time, the "Loan Agreement") among MEGA Brands Inc., a Canadian corporation ("Parent" or "Canadian Borrower"), Mega Brands America, Inc., a New Jersey corporation ("Mega US") and Rose Moon, Inc., a Tennessee corporation ("Rose Moon", and together with Mega US, each individually, a "US Borrower", and collectively, "US Borrowers", and together with Parent, each a "Borrower" and collectively, "Borrowers"), Mega Bloks Financial Services Inc./Services Financiers Mega Bloks Inc., a Canadian corporation ("Mega Bloks Services"), 4541162 Canada Inc., a Canadian corporation ("IPCO" and together with Mega Bloks Services, each individually, a "Canadian Guarantor", and collectively, "Canadian Guarantors"), MB US Inc., a Delaware corporation ("MB US"), MB2 LP, a Delaware limited partnership ("MB2 LP"), MB Finance LLC, a Delaware limited liability company ("MB Finance" and together with MB US and MB2, each individually, a "US Guarantor", and collectively, "US Guarantors"), Grantor, MEGA Brands Australia Pty Ltd, an Australia limited liability company ("Mega Australia"), Mega Bloks Latinoamerica S.A. de C.V., a company organized under the laws of Mexico ("Mega Mexico"), MEGA Brands Europe NV, a company organized under the laws of Belgium ("Mega Belgium", and together with Grantor, Mega Australia and Mega Mexico, each individually, a "Foreign Guarantor" and collectively, "Foreign Guarantors", and together with Canadian Guarantors and US Guarantors, each individually, a "Guarantor", and collectively, "Guarantors"), the lenders party thereto as "Lenders" ("Lenders"), Agent and Lenders have agreed to make loans and provide other financial accommodations to Borrowers from time to time pursuant to the terms and conditions thereof;

WHEREAS, Agent and Lenders are willing to make the financial accommodations to Borrowers as provided for in the Loan Agreement, but only upon the condition, among others, that Grantor shall have executed and delivered this Agreement to Agent, for the benefit of Secured Parties;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby agrees as follows:

1. Defined Terms. All capitalized terms used herein (including in the preamble and recitals hereof) without definition shall have the meanings ascribed thereto in the Loan Agreement. In addition to those terms defined elsewhere in this Agreement, as used in this Agreement, the following terms shall have the following meanings:

"Equipment" shall mean all of Grantor's now owned and hereafter acquired equipment in all forms, wherever located, including, without limitation, all machinery, data processing and computer equipment (whether owned or licensed and including embedded software and supporting information that constitute equipment within the meaning of the UCC), all engineering, processing and manufacturing

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equipment, vehicles, automotive equipment, trailers, trucks, forklifts, motor vehicles, molds, tools, furniture, office equipment, materials, handling equipment, trade fixtures and fixtures, all attachments, accessions and property now or hereafter affixed thereto or used in connection therewith, all fuel therefor, all peripheral equipment, all manuals, drawings, instructions, warranties and rights with respect to the foregoing, and, in each case, substitutions and replacements thereof, and, in each case, wherever located, and all products and proceeds thereof and condemnation awards and insurance proceeds with respect thereto.

"Information Certificate" shall mean the Information Certificate of Grantor and certain of its affiliates constituting Exhibit C to the Loan Agreement containing material information with respect to Grantor, its businesses and assets provided by or on behalf of Grantor to Agent in connection with the Loan Agreement, this Agreement and the other Loan Documents and the financing arrangements provided for herein and therein.

"Insolvency Proceeding" shall mean any proceeding commenced by or against any Person under any provision of the Bankruptcy Code, the *Bankruptcy and Insolvency Act (Canada)*, the *Companies' Creditors Arrangement Act (Canada)*, the *Winding-up and Restructuring Act (Canada)*, or under any other state or federal bankruptcy or insolvency law, or law with respect to assignments for the benefit of creditors, formal or informal moratoria, compositions, extensions generally with creditors, or proceedings seeking reorganization, arrangement, or other similar relief, and including, without limitation, the filing of an application or commencement of proceedings under the Bankruptcy Code or the Canada Business Corporations Act (in each case, or any successors to such statutes or comparable legislation in other jurisdictions) seeking to impose a stay of proceedings against creditors, seeking to approve or impose a plan of arrangement providing for the compromise of claims of creditors or imposing other limitations or restrictions on creditors' rights.

"Intercreditor Agreement" shall mean the Intercreditor Agreement, dated of even date herewith, among Agent, Debenture Collateral Agent and Parent, as acknowledged by Grantor and certain of its affiliates, as the same now exists or may hereafter be amended, restated, supplemented, modified, extended, renewed or replaced.

"Inventory" shall mean all of Grantor's now owned and hereafter existing or acquired goods, wherever located, which (a) are leased by Grantor as lessor; (b) are held by Grantor for sale or lease or to be furnished under a contract of service; (c) are furnished by Grantor under a contract of service; (d) consist of raw materials, work in process, finished goods or materials used or consumed in its business, including, without limitation, in the manufacture, production, preparation or shipping thereof; (e) goods in which Grantor has an interest in mass or a joint or other interest or right of any kind (including, without limitation, goods in which Grantor has an interest or right as consignee) and (f) goods that are returned to or repossessed or stopped in transit by Grantor, and all accessions thereto and products thereof and documents thereof, including, without limitation, computer programs and supporting information that constitute inventory within the meaning of the UCC.

"License" shall mean any agreement, whether written or oral, providing for the granting of any right in or to Trademarks (whether Grantor is licensee or licensor thereunder), including, without limitation, each such agreement listed on Schedule 14 to the Information Certificate, and the right to use the foregoing in connection with the enforcement of Agent's rights under the Loan Documents, including the right to prepare for sale, and sell or otherwise dispose of, any and all Inventory and Equipment now or hereafter owned by Grantor and now or hereafter covered by or subject to such licenses.

"Obligations" shall mean all Obligations under and as such term is defined in the Loan Agreement, whether now or hereafter existing, direct or indirect, absolute or contingent, and whether for

principal, reimbursement obligations, interest, fees, premiums, penalties, indemnifications, contract causes of action, costs, expenses or otherwise.

“Person” or “person” shall mean any individual, sole proprietorship, partnership, corporation (including any corporation which elects subchapter S status under the Code), limited liability company, limited liability partnership, business trust, unincorporated association, joint stock corporation, trust, joint venture or other entity or any government or any agency or instrumentality or political subdivision thereof.

“Trademarks” shall mean any and all U.S. trademarks, trade names, service marks, domain names, trade dress, logos, designs, slogans, business names, corporate names and other source identifies, whether registered or unregistered including, but not limited to each trade name, trademark, trademark application, service mark and service mark application listed on Schedule 14 to the Information Certificate, and with respect to any and all of the foregoing (a) all renewals thereof, (b) all rights corresponding thereto throughout the world, and (c) the goodwill symbolized thereby.

“Trade Secrets” shall mean all trade secrets and all other confidential or proprietary information, including, without limitation, know-how, trade secrets, manufacturing and production processes and techniques, inventions, research and development information, databases and data, including, without limitation, technical data, financial, marketing and business data, pricing and cost information, business and marketing plans and customer and supplier lists and information, whether or not reduced to a writing or other tangible form, including with respect to any and all of the foregoing all documents and things embodying, incorporating, or referring in any way thereto.

“UCC” shall mean the Uniform Commercial Code as in effect in the State of New York and any successor statute, as in effect from time to time (except that terms used herein defined in the Uniform Commercial Code as in effect in the State of New York on the date hereof shall continue to have the same meaning notwithstanding any replacement or amendment of such statute except as Agent may otherwise determine).

## 2. Grant of Security Interest in Collateral.

2.1 Grant of Security. To secure payment and performance of all Obligations, Grantor hereby grants and pledges to Agent, for itself and the benefit of the other Secured Parties, a continuing security interest in, a lien upon, and a right of set off against (sometimes referred to herein as the “Security Interest”), all of Grantor’s right, title and interest in and to the following items and types of personal property of Grantor, whether now owned or hereafter acquired or existing, and wherever located (collectively, the “Collateral”):

(a) all of Grantor’s Trademarks and Licenses including those referred to on Schedule I hereto, all rights therein, and all tangible embodiments thereof;

(b) all goodwill of the business connected with the use of, and symbolized by, each Trademark and each License;

(c) any and all claims for damages and injunctive relief for past, present and future infringement, dilution, misappropriation, violation, misuse or breach with respect to any of the foregoing, with the right, but not the obligation, to sue for and collect, or otherwise recover, such damages; and

(d) all payments and royalties and rights to payments and royalties arising out of the sale, lease, license, assignment or other disposition thereof (“Proceeds”).

2.2 Excluded Property. Notwithstanding anything to the contrary set forth in Section 2.1 above, the types or items of Collateral described in such Section shall not include:

(a) any trademark or servicemark applications that have been filed with the United States Patent and Trademark Office on the basis of an "intent-to-use" with respect to such marks, unless and until a statement of use or amendment to allege use is filed or any other filing is made or circumstances otherwise change so that the interests of Grantor in such marks is no longer on an "intent-to-use" basis, at which time such marks shall automatically and without further action by the parties be subject to the security interests and liens granted by Grantor to Agent hereunder; and

(b) any rights or interests in any contract, lease, permit, license, charter or license agreement covering any trademark or servicemark applications, if under the terms of such contract, lease, permit, license, charter or license agreement, or applicable law with respect thereto, the valid grant of a security interest or lien therein to Agent is prohibited and such prohibition has not been or is not waived or the consent of the other party to such contract, lease, permit, license, charter or license agreement has not been or is not otherwise obtained or under applicable law such prohibition cannot be waived; provided that the foregoing exclusion shall in no way be construed (i) to apply if any such prohibition is unenforceable under Sections 9-406, 9-407, or 9-408 or any other section of the UCC or under other applicable law or (ii) so as to limit, impair or otherwise affect Agent's unconditional continuing security interests in and liens upon any rights or interests of a Grantor in or to monies due or to become due under any such contract, lease, permit, license charter or license agreement.

2.3 Security For Obligations. This Agreement and the Security Interest created hereby secures the full and prompt payment when due (whether at stated maturity, by acceleration or otherwise) and performance of all of the Obligations, whether now existing or arising hereafter. Without limiting the generality of the foregoing, this Agreement secures the payment of all amounts which constitute part of the Obligations and would be owed by Grantor to Agent, the other Secured Parties or any of them, but for the fact that they are unenforceable or not allowed or allowable in whole or in part as a result of an Insolvency Proceeding involving Grantor.

2.4 Grantor Remains Liable. Notwithstanding anything to the contrary contained herein, (a) Grantor shall remain liable under any contracts and agreements included in the Collateral to perform all of the duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by the Agent of any of its rights hereunder shall not release Grantor from any of its duties or obligations under such contracts and agreements included in the Collateral, and (c) none of the Secured Parties shall have any obligation or liability under such contracts or agreements included in the Collateral by reason of this Agreement, nor shall any of the Secured Parties be obligated to perform any of the obligations or duties of Grantor thereunder or to take any action to collect or enforce any claim of payment assigned hereunder.

2.5 Perfection of Security Interests. Grantor irrevocably and unconditionally authorizes Agent (or its agent) to file (for itself and the benefit of the Secured Parties) at any time and from time to time such financing statements with respect to the Collateral naming Agent or its designee as the secured party and Grantor as debtor, as Agent may require, and including any other information with respect to Grantor as Agent may determine, and any amendments and continuations with respect thereto, which authorization shall apply to all financing statements filed on, prior to or after the date hereof. Grantor hereby authorizes Agent to file any and all financing statements (and amendment and continuation statements) naming Agent or its designee as secured party, and Grantor, as the case may be, as debtor, with respect to the Collateral, regardless of whether any particular asset described in such financing statements falls within the scope of the UCC or Section 2.1 hereof. Grantor hereby authorizes Agent to adopt on behalf of Grantor any symbol required for authenticating any electronic filing. In the event that the description of the collateral in any financing statement naming Agent or its designee as the secured

party and Grantor as debtor includes assets and properties of Grantor that do not at any time constitute Collateral, whether hereunder, under any of the other Loan Documents or otherwise, the filing of such financing statement shall nonetheless be deemed authorized by Grantor to the extent of the Collateral included in such description and it shall not render the financing statement ineffective as to any of the Collateral or otherwise affect the financing statement as it applies to any of the Collateral. In no event shall Grantor at any time file, or permit or cause to be filed, any correction statement or termination statement with respect to any financing statement (or amendment or continuation with respect thereto) naming Agent or its designee as secured party and Grantor as debtor, except as Agent shall otherwise agree or as permitted under the Intercreditor Agreement. A photocopy or other reproduction of this Agreement shall be sufficient as a financing statement where permitted by law. Grantor ratifies its authorization for Agent to have filed any such financing statements, continuation statements or amendments filed prior to the date hereof.

2.6 Further Assurances. Grantor shall promptly execute, deliver, otherwise authenticate and file all further instruments and other documents and promptly take any other actions reasonably requested by Agent from time to time to protect or cause the attachment, perfection and first priority of, and the ability of Agent to enforce, the security interest of Agent in any and all of the Collateral, including, without limitation, (a) executing, delivering, otherwise authenticating and filing financing statements and amendments relating thereto under the UCC or other applicable law and such other instruments or notices, (b) complying with any provision of any statute, regulation or treaty of the United States as to any Collateral, (c) obtaining the consents and approvals of any Governmental Authority or third party, including, without limitation, any consent of any licensor (other than a licensor of Collateral), lessor or other person obligated on Collateral, (d) taking all actions required by any earlier versions of the UCC or by other law, as applicable in any relevant jurisdiction, and (e) delivering to Agent evidence that all other actions that Agent may deem necessary or desirable in order to perfect and protect the security interest granted or purported to be granted by Grantor under this Agreement has been taken. Grantor will furnish to Agent from time to time statements and schedules further identifying and describing the Collateral of Grantor and such other reports in connection with such Collateral as Agent may reasonably request, all in reasonable detail.

2.7 Intercreditor Agreement. Notwithstanding anything herein to the contrary, the Security Interest granted to Agent pursuant to this Agreement and the exercise of any right or remedy by Agent hereunder are subject to the provisions of the Intercreditor Agreement. In the event of any conflict between the terms of the Intercreditor Agreement and the terms of this Agreement, the terms of the Intercreditor Agreement shall govern and control. Any reference in this Agreement to a "first priority lien" or words of similar effect in describing the security interests created hereunder shall be understood to refer to the applicable lien priority set forth in the Intercreditor Agreement. All representations, warranties and covenants in this Agreement shall be subject to the provisions and qualifications set forth in this Section 2.7. Grantor expressly acknowledges and agrees that the Intercreditor Agreement is solely for the benefit of the parties thereto and notwithstanding the fact that the exercise of certain of the rights of Agent under the Loan Documents may be subject to the Intercreditor Agreement, no action taken or not taken by Agent in accordance with the terms of the Intercreditor Agreement shall constitute, or be deemed to constitute, a waiver by Agent or any other Secured Party of any rights they may have with respect to Grantor under any of the Loan Documents.

3. Representations and Warranties. Grantor hereby jointly and severally represents and warrants to Agent for the benefit of the Secured Parties:

3.1 Name; Jurisdiction of Organization; Chief Executive Office. The exact legal name of Grantor is set forth in Section 1 of the Information Certificate and the jurisdiction of organization of Grantor is set forth in Section 3 of the Information Certificate. Grantor has not in the five (5) years preceding the date hereof changed its name, been party to a merger, consolidation, restructuring,

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amalgamation or other change in structure, acquired all or substantially all of the assets of any Person or acquired any of its property or assets out of the ordinary course of business, except as disclosed in Sections 7 and 8 of the Information Certificate, or used any trade name except as disclosed in Section 2 of the Information Certificate. Grantor is an organization of the type and organized in the jurisdiction set forth in Section 3 of the Information Certificate. Section 4 of the Information Certificate accurately sets forth the organizational identification number of Grantor or accurately states that Grantor has none. Section 5 of the Information Certificate accurately sets forth the federal employer identification number of Grantor (or the relevant equivalent number in Grantor's jurisdiction of organization).

3.2 Chief Executive Office. As of the date hereof, the chief executive office and mailing address of Grantor (or the domicile under the laws of Quebec) of Grantor, the registered office of Grantor and the address where Grantor's Records are located is set forth on the section of Schedule 9 to the Information Certificate applicable to Grantor. Subject to the rights of Grantor to establish new locations in accordance with Section 8.2 of the Loan Agreement, Grantor's only other places of business are the addresses set forth on Schedule 9 to the Information Certificate.

3.3 Priority of Liens; Title to Properties. Grantor is the sole legal and beneficial owner of and has good, valid and marketable title to all of the Collateral, subject to no liens, mortgages, pledges, security interests, encumbrances, hypothecs, claims, options or rights of others, or charges of any kind, except the Permitted Liens. This Agreement creates in favor of Agent for the benefit of the Secured Parties a valid security interest in the Collateral granted by Grantor securing the payment of the Obligations. Such security interests are, or in the case of Collateral in which Grantor obtains rights after the date hereof, will be, perfected, first priority security interests, in each case subject as to priority only to (x) the Permitted Liens that have priority by operation of law and (y) the Permitted Liens of Debenture Collateral Agent to the extent set forth in the Intercreditor Agreement. All filings and other actions necessary to perfect the security interest of Agent in the Collateral granted by Grantor have been duly made or taken and are in full force and effect, and such filings and actions include, without limitation, (i) the filing of the UCC financing statement naming Grantor as "debtor" and Agent as "secured party" and describing the Collateral in the filing offices set forth opposite Grantor's name on Section 3 to the Information Certificate (which Section is complete and correct as of the date hereof), and (ii) the recording of this Agreement in the United States Patent and Trademark Office. No effective financing statement or other instrument similar in effect covering all or any part of such Collateral or listing Grantor or any trade name of Grantor as debtor is on file in any recording office, except such as may have been filed in favor of Agent relating to the Loan Documents or Debenture Collateral Agent relating to the Indenture, or as otherwise permitted under the Loan Documents.

3.4 Collateral. Grantor owns or otherwise has the right to use the Collateral used in and material to the operation of Grantor's business. As of the date hereof, Grantor does not have any material Collateral registered, or subject to pending applications, in the United States Patent and Trademark Office or any similar office or agency in the United States other than those described on Schedule 14 to the Information Certificate, and has not granted any licenses with respect thereto other than as set forth on Schedule 14 to the Information Certificate, and the Schedule 14 to the Information Certificate sets forth all registered Collateral owned by Grantor. The registered Collateral is currently in compliance with any and all formal legal requirements necessary to (a) maintain the validity and enforceability thereof, and (b) record and perfect the Grantor's interest and chain of title thereof except where the failure to comply would not have or could not reasonably be expected to have a Material Adverse Effect. No event has occurred which permits or would permit after notice or passage of time or both, the revocation, suspension or termination of such rights, except as would not have or could not reasonably be expected to have a Material Adverse Effect. To the best of Grantor's knowledge, no slogan or other advertising device, product, process, method, substance or other intellectual property or goods bearing or using any Collateral presently contemplated to be sold by or employed by Grantor infringes any other intellectual property owned by any other Person presently where such infringement has or could reasonably be

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expected to have Material Adverse Effect or adversely affect the ability of Grantor to sell or otherwise dispose of Inventory (other than as a result of the failure of Grantor to obtain the consent of a licensor of any License for the use of such License by Agent). The operation of Grantor's business as currently conducted or as contemplated to be conducted and the use of the Collateral in connection therewith do not conflict with, infringe, misappropriate, dilute, misuse or otherwise violate the intellectual property rights of any third party where such infringement, misappropriation, dilution, misuse or other violation has or could reasonably be expected to have a Material Adverse Effect or adversely affect the ability of Grantor to sell or otherwise dispose of Inventory. No claim or litigation is pending or, to the best knowledge of Grantor, threatened in writing against or affecting Grantor contesting its right to sell or use any such Collateral or challenging or questioning the validity and enforceability of any such Collateral where such claim or litigation if adversely determined for Grantor would reasonably be expected to have a Material Adverse Effect or would adversely affect the ability of Grantor to sell or otherwise dispose of Inventory. To the best of Grantor's knowledge, no Person is engaging in any activity that infringes, misappropriates or otherwise violates any Collateral. Grantor has taken all reasonable measures to maintain the confidentiality and value of all Trade Secrets used or held for use in the operation of the business of Grantor. No Trade Secrets have been disclosed by Grantor to any Person except pursuant to valid and appropriate non-disclosure and/or license agreements that have not been breached to the best of Grantor's knowledge. Schedule 14 to the Information Certificate sets forth all of the material Licenses of Grantor pursuant to which Grantor has a license or other right to use any intellectual property owned by another person as in effect on the date hereof and the dates of the expiration of such agreements or other arrangements of Grantor as in effect on the date hereof which is necessary or of material value to such Grantor's business. There is no default by any Grantor, or to the best of Grantor's knowledge, there is no default by a third party, under any such material Licenses as of the date hereof.

3.5 Consents; Approvals. No consent, approval, authorization, or other order or other action by, and no notice to or filing with, any Governmental Authority or regulatory body or any other Person is required for (a) the grant of a Security Interest by Grantor in and to the Collateral pursuant to this Agreement or for the execution, delivery, or performance of this Agreement by Grantor, (b) the perfection or maintenance of the Security Interest created hereunder (including the first priority nature of such Security Interest), except for the filing of financing and continuation statements under the UCC, which financing statements have been duly filed and are in full force and effect and the recordation of this Agreement with the United States Patent and Trademark Office, or (c) the exercise by Agent of its rights provided for in this Agreement or the remedies in respect of the Collateral pursuant to this Agreement.

4. Covenants. Grantor, jointly and severally, covenants and agrees with Agent:

4.1 Grantor shall, at its expense, perform all acts and execute all documents necessary to take all reasonable and necessary action to preserve and maintain the validity and enforceability of the Collateral material to its business, and its rights therein, including the filing of applications for renewal, affidavits of use, affidavits of noncontestability and opposition and interference and cancellation proceedings and the payment of applicable fees, except for Permitted Dispositions.

4.2 Grantor shall within fifteen (15) days after the date hereof, execute and deliver to Agent an original of a special power of attorney in a form acceptable to Agent for the implementation of the assignment, sale or other disposition of the Trademarks. Such special power of attorney shall become effective at any time that an Event of Default exists or has occurred and is continuing. Grantor authorizes Agent to have this Agreement filed with the United States Patent and Trademark Office, any state registry or any foreign counterpart of the foregoing.

4.3 Grantor shall not do any act or omit to do any act whereby any of the Collateral may lapse, or become abandoned, invalidated, canceled, dedicated to the public, or unenforceable except as expressly permitted in the Loan Agreement or to the extent such action or omission would not have or

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could not reasonably be expected to have a Material Adverse Effect. Grantor shall notify Agent immediately if it knows or has reason to know of any reason that any application, registration, or recording with respect to material Collateral may become abandoned, canceled, invalidated, avoided, or avoidable, or of any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office or any court or tribunal in any country) regarding Grantor's ownership of any such Collateral or its right to keep, maintain and use the same, except for Permitted Dispositions.

4.4 In the event that any material Collateral owned by or exclusively licensed to Grantor is infringed, misappropriated, diluted or otherwise violated by a third party, Grantor shall promptly notify Agent and promptly take all reasonable actions to stop such infringement, misappropriation, dilution or other violation and to protect its exclusive rights in such Collateral including, but not limited to, the initiation of a suit for injunctive relief and to recover damages, or such other actions as Agent may reasonably request.

4.5 Upon the request of Agent, Grantor shall promptly execute and deliver to Agent any and all assignments, agreements, instruments, documents and such other papers as may be reasonably requested by Agent to evidence the security interest in the Collateral in favor of Agent. Grantor hereby appoints Agent its attorney-in-fact to execute and/or authenticate and file all such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed, and such power (being coupled with an interest) shall be irrevocable.

4.6 Grantor acknowledges and agrees that the Secured Parties shall have no duties with respect to the Trademarks or Licenses. Without limiting the generality of this Section 4.6, no Secured Party shall be under any obligation to take any steps necessary to preserve rights in the Collateral against any other Person, but Agent may do so at its option at any time an Event of Default exists or has occurred and is continuing, and all expenses incurred in connection therewith (including reasonable fees and expenses of attorneys and other professionals) shall be for the sole account of Grantor and shall be chargeable to any loan account of Borrowers maintained by Agent.

4.7 Grantor will not change its name, type of organization, jurisdiction of organization or location from those set forth in Section 3.1 hereof without first giving at least thirty (30) days' prior written notice to Agent and taking all action reasonably required by Agent for the purpose of perfecting or protecting the security interest granted by this Agreement. Grantor will hold and preserve its records relating to the Collateral, and will permit representatives of Agent at any time during normal business hours to inspect and make abstracts from such records and other documents.

4.8 Transfers and Other Liens. Grantor agrees that it will not (a) sell, assign (by operation of law or otherwise) or otherwise dispose of any of the Collateral, except as expressly permitted by the Loan Agreement, or (b) create or permit to exist any lien upon or with respect to any of the Collateral of Grantor, except for Permitted Liens. The inclusion of Proceeds in the Collateral shall not be deemed to constitute Agent's consent to any sale or other disposition of any of the Collateral except as expressly permitted in this Agreement or the other Loan Documents.

5. Authorization to Supplement. If Grantor shall obtain rights to any new Trademarks, the provisions of this Agreement shall automatically apply thereto. Grantor shall give prompt notice in writing to Agent with respect to any such new Trademarks or renewal or extension of any Trademark registration. Without limiting Grantor's obligations under this Section, Grantor hereby authorizes Agent unilaterally to modify this Agreement by amending Schedule I to include any such new Trademark rights of Grantor. Notwithstanding the foregoing, no failure to so modify this Agreement or amend Schedule I shall in any way affect, invalidate or detract from Agent's continuing security interest in all Collateral, whether or not listed on Schedule I.

6. Relation to Other Security Documents. Subject to Section 2.7 hereof, in the event of any conflict between any provision in this Agreement and a provision in the Loan Agreement, such provision of the Loan Agreement shall control.

7. Agent Appointed Attorney-in-Fact.

7.1 Grantor hereby irrevocably designates and appoints Agent (and all persons designated by Agent) as Grantor's true and lawful attorney-in-fact, and authorizes Agent, in Grantor's or Agent's name, with full authority in the place and stead of Grantor and in the name of Grantor or otherwise, from time to time, in Agent's direction, to take any action and to execute any instrument that Agent may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation:

(a) at any time an Event of Default exists or has occurred and is continuing to (i) exercise all of Grantor's rights and remedies to collect any Collateral, (ii) sell or assign any Collateral upon such terms, for such amount and at such time or times as Agent deems advisable, (iii) discharge and release any Collateral, (iv) prepare, file and sign Grantor's name on any proof of claim in bankruptcy or other similar document against any obligor in respect of any Collateral, (v) execute and deliver all assignments, conveyances, statements, financing statements, continuation statements, security agreements, affidavits, notices and other agreements, instruments and documents that Agent may determine necessary in order to perfect and maintain the security interests and liens granted in this Agreement and in order to fully consummate all of the transactions contemplated herein, and (vi) do all acts and things which are necessary, in Agent's determination, to fulfill Grantor's obligations under this Agreement and the other Loan Documents; and

(b) at any time to (i) use any Trademarks or other Collateral in advertising for sale and selling Inventory and other Collateral, (ii) to bring suit in its own name to enforce the Trademarks and Licenses and, if Agent shall commence any such suit, the appropriate Grantor shall, at the request of Agent, do any and all lawful acts and execute any and all proper documents reasonably required by Agent in aid of such enforcement, and (iii) do all acts and things which are necessary or desirable, in Agent's reasonable determination, to fulfill Grantor's obligations under this Agreement and the other Loan Documents.

7.2 Grantor hereby releases Agent and Lenders and their respective managers, officers, employees, agents, representatives and designees from any liabilities arising from any act or acts under this power of attorney and in furtherance thereof, whether of omission or commission, except as a result of Agent's or any Lender's own gross negligence or willful misconduct as determined by a final non-appealable order of a court of competent jurisdiction. To the extent permitted by law, Grantor hereby ratifies all that such attorney-in-fact shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until this Agreement is terminated.

8. Assignment by Agent. Subject to the terms of the Loan Agreement, Agent may from time to time assign the Obligations and any portion thereof and/or the Collateral and any portion thereof, and the assignee shall be entitled to all of the rights and remedies of Agent under this Agreement in relation thereto.

9. Agent's Duties. The powers conferred on Agent hereunder are solely to protect Agent's interest in the Collateral, for the benefit of the Secured Parties, and shall not impose any duty upon Agent to exercise any such powers. Agent shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral.

10. Performance of Obligations; Advances by Agent. Upon the failure of Grantor to perform any of the covenants and agreements contained herein or in the other Loan Documents, Agent may, at its

option, perform or cause to be performed the same and in so doing may expend such sums as Agent may reasonably deem advisable in the performance thereof in order to preserve, protect, insure or maintain the Collateral and the rights of Agent and Lenders with respect thereto or take such other action as Agent may be compelled to make by operation of law. Agent and Lenders shall be under no obligation to effect such payments or take such actions and shall not, by doing so, be deemed to have assumed any obligation or liability of Grantor. All such sums and amounts so expended shall be repayable by Grantor promptly upon timely notice thereof and demand therefor, shall constitute additional Obligations. Any payment made or other action taken by Agent or any Lender under this Section shall be without prejudice to any right to assert a Default or an Event of Default hereunder and to proceed accordingly. Agent may make any payment hereby authorized in accordance with any bill, statement or estimate procured from the appropriate public office or holder of the claim to be discharged without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax assessment, sale, forfeiture, tax lien, title or claim except to the extent such payment is being contested in good faith by Grantor in appropriate proceedings and against which adequate reserves are being maintained in accordance with GAAP.

#### 11. Remedies.

11.1 Generally. At any time an Event of Default exists or has occurred and is continuing, Agent may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein, in the other Loan Documents, or otherwise available to it, all the rights and remedies of a secured creditor on default under the UCC or any other applicable law. Without limiting the generality of the foregoing, Grantor expressly agrees that, in any such event, Agent without demand of performance or other demand, advertisement or notice of any kind (except a notice specified below of time and place of public or private sale) to or upon Grantor or any other Person (all and each of which demands, advertisements and notices are hereby expressly waived to the maximum extent permitted by the UCC or any other applicable law), may take immediate possession of all or any portion of the Collateral and (a) require Grantor to, and Grantor hereby agrees that it will at its own expense and upon request of Agent forthwith, make all or part of the Collateral as directed by Agent available to Agent such location as Agent and Grantor shall agree, (b) receive, appropriate, setoff and realize upon any and all Collateral, (c) without notice, except as otherwise provided herein or in the Intercreditor Agreement, sell, lease, transfer, assign, deliver or otherwise dispose of any and all Collateral and/or (d) exercise any and all rights and remedies of Grantor under or in connection with the Collateral, or otherwise in respect of the Collateral. Grantor agrees that, to the extent notice of sale shall be required by law, at least ten (10) days notice to Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification and specifically such notice shall constitute a reasonable "authenticated notification of disposition" within the meaning of Section 9-611 of the UCC. Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. To the extent permitted by applicable law, Grantor hereby waives all of its rights of redemption with respect to any such sale. Agent or, with Agent's consent, any other Secured Party, may be the purchaser of any or all of the Collateral at any public or private (to the extent the portion of the Collateral being privately sold is of a kind that is customarily sold on a recognized market or the subject of widely distributed standard price quotations) sale in accordance with the UCC and Agent shall be entitled for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such sale made in accordance with the UCC or other applicable law, to use and apply any of the Obligations as a credit on account of the purchase price for any Collateral payable by Agent at such sale. In the event Agent institutes an action to recover any Collateral or seeks recovery of any Collateral by way of prejudgment remedy, Grantor waives the posting of any bond which might otherwise be required. Neither Agent's compliance with any applicable state or federal law in the conduct of such sale, nor its disclaimer of any warranties relating to the Collateral, shall be considered to adversely affect the

commercial reasonableness of such sale. In addition to all other sums due Agent and Lenders with respect to the Obligations, Grantor shall pay Agent and each of the Lenders all costs and expenses incurred by Agent or any such Lender, including, but not limited to, reasonable attorneys' fees and court costs, in obtaining or liquidating the Collateral, in enforcing payment of the Obligations, or in the prosecution or defense of any action or proceeding by or against Agent or the Lenders or Grantor concerning any matter arising out of or connected with this Agreement, any Collateral or the Obligations, including, without limitation, any of the foregoing arising in, arising under or related to a case under the Bankruptcy Code.

#### 11.2 Remedies Relating to Collateral.

(a) Agent is hereby granted a license or other right to use, without liability for royalties or any other charge, the Collateral at any time an Event of Default exists or has occurred and is continuing in preparing for sale, advertising for sale and selling any Collateral in accordance with its rights and remedies under this Agreement and the other Loan Documents, and Grantor's rights under all licenses and all franchise agreements shall inure to the benefit of Agent to the extent such licenses and franchises do not expressly provide otherwise. In order to implement the assignment, sale, or other disposition of any of the Collateral pursuant to the terms hereof, Agent may at any time execute and deliver on behalf of Grantor, pursuant to the authority granted in the powers of attorney described in Section 7.1(b) hereof, one or more instruments of assignment of such Collateral (or any application, registration, or recording relating thereto), in form suitable for filing, recording, or registration.

(b) At any time an Event of Default exists or has occurred and is continuing, (i) Agent may require that Grantor not make any use of the Collateral for any purpose whatsoever, and (ii) Agent may make use of any Collateral for the sale of goods, completion of work-in-process or rendering of services or otherwise in connection with enforcing any other security interest granted to Agent by Grantor or for such other reason as Agent may determine.

(c) At any time an Event of Default exists or has occurred and is continuing, Agent may grant such license or licenses relating to the Collateral for such term or terms, on such conditions, and in such manner, as Agent shall in its discretion deem appropriate. Such license or licenses may be general, special or otherwise, and may be granted on an exclusive or non-exclusive basis throughout all or any part of the United States of America, its territories and possessions, and all foreign countries.

(d) Grantor assumes all responsibility and liability arising from the use of the Collateral and Grantor hereby indemnifies and holds Agent and the other Secured Parties harmless from and against any claim, suit, loss, damage, or expense (including attorneys' fees and legal expenses) arising out of any alleged defect in any product manufactured, promoted, or sold by Grantor (or any affiliate or subsidiary thereof) in connection with any of the Collateral or out of the manufacture, promotion, labeling, sale or advertisement of any such product by Grantor (or any affiliate or subsidiary thereof), in each case except as a result of any indemnified party's gross negligence or willful misconduct. The foregoing indemnity shall survive the payment of the Obligations, the termination of this Agreement and the termination or non-renewal of the Loan Agreement.

11.3 Standards for Exercising Rights and Remedies. To the extent that applicable law imposes duties on Agent or any Lender to exercise remedies in a commercially reasonable manner (which duties cannot be waived under such law), Grantor acknowledges and agrees that it is not commercially unreasonable for Agent or any Lender (a) to fail to incur expenses reasonably deemed significant by Agent or any Lender to prepare Collateral for disposition, (b) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain consents of any Governmental Authority or other third party for the collection or disposition of Collateral to be collected or disposed of, (c) to fail to exercise collection remedies against secondary obligors or

other persons obligated on Collateral or to remove liens or encumbrances on or any adverse claims against Collateral, (d) to exercise collection remedies against persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (e) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (f) to contact other persons, whether or not in the same business as Grantor, for expressions of interest in acquiring all or any portion of the Collateral, (g) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the collateral is of a specialized nature, (h) to dispose of Collateral by utilizing Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets, (i) to dispose of assets in wholesale rather than retail markets, (j) to disclaim disposition warranties, (k) to purchase insurance or credit enhancements to insure Agent or Lenders against risks of loss, collection or disposition of Collateral or to provide to Agent or Lenders a guaranteed return from the collection or disposition of Collateral, or (l) to the extent deemed appropriate by Agent, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist Agent in the collection or disposition of any of the Collateral. Grantor acknowledges that the purpose of this Section is to provide non-exhaustive indications of what actions or omissions by Agent or any Lender would not be commercially unreasonable in the exercise by Agent or any Lender of remedies against the Collateral and that other actions or omissions by Agent or any Lender shall not be deemed commercially unreasonable solely on account of not being indicated in this Section. Without limitation of the foregoing, nothing contained in this Section shall be construed to grant any rights to Grantor or to impose any duties on Agent or Lenders that would not have been granted or imposed by this Agreement or by applicable law in the absence of this Section.

11.4 No Waiver by Delay, Etc. Failure by Agent or the Lenders to exercise any right, remedy or option under this Agreement or as provided by law, or any delay by Agent or the Lenders in exercising the same, shall not operate as a waiver of any such right, remedy or option. No waiver hereunder shall be effective unless it is in writing, signed by the party against whom such waiver is sought to be enforced and then only to the extent specifically stated, which in the case of Agent or Lenders shall only be granted as provided herein. To the extent permitted by law, neither Agent, Lenders, nor any party acting as attorney for Agent or Lenders, shall be liable hereunder for any acts or omissions or for any error of judgment or mistake of fact or law other than their gross negligence or willful misconduct hereunder as determined by a final, non-appealable order of a court of competent jurisdiction.

11.5 Strict Foreclosure. Agent may, after providing the notices required by Sections 9-620 and 9-621 (or similar provision) of the UCC (or any successor sections of the UCC) or otherwise complying with the requirements of applicable law of the relevant jurisdiction, accept or retain the Collateral in satisfaction of all or any part of the Obligations. Unless and until Agent shall have provided such notices, however, Agent shall not be deemed to have retained any Collateral in satisfaction of any or all of the Obligations for any reason.

11.6 Application of Proceeds; Deficiency. At any time an Event of Default exists or has occurred and is continuing, Agent may apply the cash proceeds of Collateral actually received by Agent from any sale or other disposition of the Collateral to payment of the Obligations, in whole or in part and in accordance with the terms of the Loan Agreement, whether or not then due, or may hold such proceeds as cash collateral for the Obligations and Grantor irrevocably waives the right to direct the application of such payments and proceeds and acknowledges and agrees that Agent shall have the continuing and exclusive right to apply and reapply any and all such payments and proceeds in Agent's discretion, notwithstanding any entry to the contrary upon any of its books and records. Grantor shall remain liable to Agent and the other Secured Parties for the payment of any deficiency with interest at the highest rate provided for herein or in the other Loan Documents and all costs and expenses of collection or enforcement, including attorneys' fees and expenses.

11.7 Writ of Possession; Receiver. Grantor hereby acknowledges that the Obligations arose out of a commercial transaction, and agrees that at any time an Event of Default exists or has occurred and is continuing Agent shall have the right to an immediate writ of possession without notice of a hearing. Agent shall have the right to the appointment of a receiver for the properties and assets of Grantor, and Grantor hereby consents to such rights and such appointment and hereby waives any objection Grantor may have thereto or the right to have a bond or other security posted by Agent.

11.8 Remedies Cumulative. Each right, power, and remedy of Agent as provided for in this Agreement or in the other Loan Documents or now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power, or remedy provided for in this Agreement or in the other Loan Documents or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by Agent, of any one or more of such rights, powers, or remedies shall not preclude the simultaneous or later exercise by Agent of any or all such other rights, powers, or remedies. To the extent that any of the Obligations are now or hereafter secured by property other than the Collateral, or by a guarantee, endorsement or property of any other Person, then Agent shall have the right to proceed against such other property, guarantee or endorsement upon the occurrence and during the continuance of any Event of Default, and Agent and Lenders have the right, in their sole discretion, to determine which rights, security, liens, security interests or remedies Agent shall at any time pursue, relinquish, subordinate, modify or take with respect thereto, without in any way modifying or affecting any of them or any of the rights of Agent and Lenders or the Obligations under this Agreement, under any other of the Loan Documents or under any Hedge Agreement (to the extent the obligations of Grantor thereunder constitute Obligations).

12. Marshaling. Agent shall not be required to marshal any present or future collateral security (including but not limited to the Collateral) for, or other assurances of payment of, the Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order, and all of its rights and remedies hereunder and in respect of such collateral security and other assurances of payment shall be cumulative and in addition to all other rights and remedies, however existing or arising. To the extent that it lawfully may, Grantor hereby agrees that it will not invoke any law relating to the marshaling of collateral which might cause delay in or impede the enforcement of Agent's rights and remedies under this Agreement or under any other instrument creating or evidencing any of the Obligations or under which any of the Obligations is outstanding or by which any of the Obligations is secured or payment thereof is otherwise assured, and, to the extent that it lawfully may, Grantor hereby irrevocably waives the benefits of all such laws.

13. Merger, Amendments; Etc. This Agreement, together with the other Loan Documents, represents the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten agreements between the parties. No waiver of any provision of this Agreement, and no consent to any departure by Grantor herefrom, shall in any event be effective unless the same shall be in writing and signed by Agent, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No amendment of any provision of this Agreement shall be effective unless the same shall be in writing and signed by Agent and Grantor.

14. Addresses for Notices. All notices and other communications provided for hereunder shall be given in the form and manner and delivered to Agent at its address specified in the Loan Agreement, and to Grantor at its address specified in the Loan Agreement or, as to any party, at such other address as shall be designated by such party in a written notice to the other party.

15. Continuing Security Interest: Assignments under Loan Agreement. This Agreement shall create a continuing security interest in the Collateral and shall (a) remain in full force and effect until the

Obligations have been paid in full in cash or cash collateralized in accordance with the provisions of the Loan Agreement and the Commitments have expired or have been terminated, (b) be binding upon Grantor and its successors and assigns, and (c) inure to the benefit of, and be enforceable by, Agent, and its successors, transferees and assigns. Without limiting the generality of the foregoing clause (c), any Lender may, in accordance with the provisions of the Loan Agreement, assign or otherwise transfer all or any portion of its rights and obligations under the Loan Agreement to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to such Lender herein or otherwise. No transfer or renewal, extension, assignment, or termination of this Agreement or of the Loan Agreement, any of the other Loan Documents, or any other instrument or document executed and delivered by Grantor to Agent nor any additional Loans or other loans made by Agent or any Lender to Borrowers, nor the taking of further security, nor the retaking or re-delivery of the Collateral to Grantor by Agent, nor any other act of the Secured Parties, or any of them, shall release Grantor from any obligation, except a release or discharge executed in writing by Agent in accordance with the provisions of the Loan Agreement and the Intercreditor Agreement. To the fullest extent permitted by law, Grantor hereby releases Agent and each Lender, each of their respective affiliates, managers, directors, officers, employees and agents and each of their respective successors and assigns, from any liability for any act or omission relating to this Agreement or the Collateral, except for any liability arising from the gross negligence or willful misconduct of Agent or such Lender or their respective affiliates, managers, directors, officers, employees and agents as determined by a final, non-appealable order of a court of competent jurisdiction. Agent shall not by any act, delay, omission or otherwise, be deemed to have waived any of its rights or remedies hereunder, unless such waiver is in writing and signed by Agent and then only to the extent therein set forth. A waiver by Agent of any right or remedy on any occasion shall not be construed as a bar to the exercise of any such right or remedy which Agent would otherwise have had on any other occasion. This Agreement shall continue to be effective or be automatically reinstated, as the case may be, if at any time payment, in whole or in part, of any of the Obligations is rescinded or must otherwise be restored or returned by Agent or any Lender or other Secured Party as a preference, fraudulent conveyance or otherwise under any bankruptcy, insolvency or similar law, all as though such payment had not been made; provided that in the event payment of all or any part of the Obligations is rescinded or must be restored or returned, all reasonable costs and expenses (including without limitation any reasonable legal fees and disbursements) incurred by Agent or any Lender in defending and enforcing such reinstatement shall be deemed to be included as a part of the Obligations.

16. Release; Termination. Upon any sale, transfer or other disposition of any item of Collateral of Grantor that is permitted under the Loan Agreement, this Agreement or any of the other Loan Documents, Agent will, at Grantor's expense, execute and deliver to Grantor such documents as Grantor shall reasonably request to evidence the release of such item of Collateral from the security interest granted to Agent hereby; provided, however, that, in addition to and not in limitation of the conditions set forth in the Loan Agreement, this Agreement or such other Loan Documents (a) at the time of such request and such release and after giving effect thereto, no Default or Event of Default shall exist or shall have occurred and be continuing, (b) Grantor shall have delivered to Agent, at least ten (10) Business Days prior to the date of the proposed release, a written request for release describing the item of Collateral and the terms of the sale, lease, transfer or other disposition in reasonable detail, including, without limitation, the price thereof and any expenses to be incurred in connection therewith, together with a form of release for execution by Agent and a certificate of Grantor to the effect that the transaction is in compliance with the Loan Agreement and the other Loan Documents (and that all conditions precedent to such sale, lease, transfer or other disposition have been satisfied) and as to such other matters as Agent may reasonably request, and (c) the proceeds of any such sale, lease, transfer or other disposition required to be applied, or any payment to be made in connection therewith, in accordance with the Loan Agreement, subject to the Intercreditor Agreement, shall be paid or made to, or in accordance with the instructions of, Agent when and as required under the Loan Agreement, subject to the Intercreditor Agreement.

17. Governing Law, Etc.

17.1 Governing Law. The validity, interpretation and enforcement of this Agreement and the other Loan Documents (except as otherwise provided therein) and any dispute arising out of the relationship between the parties hereto, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of New York but excluding any principles of conflicts of law or other rule of law that would cause the application of the law of any jurisdiction other than the laws of the State of New York.

17.2 Consent to Jurisdiction. The parties hereto irrevocably consent and submit to the non-exclusive jurisdiction of the Supreme Court of the State of New York for New York County and the United States District Court for the Southern District of New York, whichever Agent may elect, and waive any objection based on venue or forum *non conveniens* with respect to any action instituted therein arising under this Agreement or any of the other Loan Documents or in any way connected with or related or incidental to the dealings of the parties hereto in respect of this Agreement or any of the other Loan Documents or the transactions related hereto or thereto, in each case whether now existing or hereafter arising, and whether in contract, tort, equity or otherwise, and agree that any dispute with respect to any such matters shall be heard only in the courts described above (except that Agent and Lenders shall have the right to bring any action or proceeding against Grantor or its or their property in the courts of any other jurisdiction which Agent deems necessary or appropriate in order to realize on the Collateral or to otherwise enforce its rights against Grantor or its or their property).

17.3 Service. Each party hereto hereby waives personal service of any and all process upon it and consents that all such service of process may be made by certified mail (return receipt requested) directed to its address set forth herein and service so made shall be deemed to be completed five (5) days after the same shall have been so deposited in the U.S. or Canadian mails, or, at Agent's option, by service upon Grantor in any other manner provided under the rules of any such courts. Within thirty (30) days after such service, Grantor shall appear in answer, respond or move in respect of such process, failing which Grantor shall be deemed in default and judgment may be entered by Agent against Grantor for the amount of the claim and other relief requested. Grantor hereby irrevocably appoints Mega US (in such capacity, "Process Agent"), at the registered address set forth in Schedule 9 to the Information Certificate, as its agent to receive on behalf of Grantor and its property any copies of any summons and complaint and any other process which may be served in any action or proceeding pursuant to this Agreement. Such service may be made by mailing or delivering a copy of such process to Grantor in care of the Process Agent at the Process Agent's address referenced above, and Grantor hereby irrevocably authorizes and directs the Process Agent to accept such service on its behalf.

17.4 JURY TRIAL WAIVER. AGENT AND GRANTOR EACH HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO IN RESPECT OF THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. AGENT AND GRANTOR EACH HEREBY AGREES AND CONSENT THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT AGENT OR GRANTOR MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.



17.5 Limitation on Liability. Agent and other Secured Parties shall not have any liability to Grantor (whether in tort, contract, equity or otherwise) for losses suffered by Grantor in connection with, arising out of, or in any way related to the transactions or relationships contemplated by this Agreement, or any act, omission or event occurring in connection herewith, unless it is determined by a final and non-appealable judgment or court order binding on Agent or such Secured Party, that the losses were the result of acts or omissions constituting gross negligence or willful misconduct. In any such litigation, Agent, Lenders and Issuing Bank shall be entitled to the benefit of the rebuttable presumption that it acted in good faith and with the exercise of ordinary care in the performance by it of the terms of this Agreement. Grantor: (i) certifies that neither Agent, any other Secured Party nor any representative, agent or attorney acting for or on behalf of Agent or any other Secured Party has represented, expressly or otherwise, that Agent or any other Secured Party would not, in the event of litigation, seek to enforce any of the waivers provided for in this Agreement or any of the other Loan Documents and (ii) acknowledges that in entering into this Agreement and the other Loan Documents, Agent and the other Secured Parties are relying upon, among other things, the waivers and certifications set forth in this Section and elsewhere herein and therein.

18. Agent. Each reference herein to any right granted to, benefit conferred upon or power exercisable by the "Agent" shall be a reference to Agent, for the benefit of itself and the other Secured Parties.

19. Miscellaneous.

19.1 Savings Clause. Notwithstanding any provision to the contrary contained herein or in any other of the Loan Documents, to the extent the obligations of Grantor shall be adjudicated to be invalid or unenforceable for any reason (including, without limitation, because of any applicable state or federal law relating to fraudulent conveyances or transfers) then the obligations of Grantor hereunder shall be limited to the maximum amount that is permissible under applicable law (whether federal or state and including, without limitation, the Bankruptcy Code).

19.2 Counterparts. This Agreement or any of the other Loan Documents may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement or any of the other Loan Documents by telefacsimile or other electronic method of transmission shall have the same force and effect as the delivery of an original executed counterpart of this Agreement or any of such other Loan Documents. Any party delivering an executed counterpart of any such agreement by telefacsimile or other electronic method of transmission shall also deliver an original executed counterpart, but the failure to do so shall not affect the validity, enforceability or binding effect of such agreement.

19.3 Partial Invalidity. If any provision of this Agreement is held to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate this Agreement as a whole, but this Agreement shall be construed as though it did not contain the particular provision held to be invalid or unenforceable and the rights and obligations of the parties shall be construed and enforced only to such extent as shall be permitted by applicable law.

19.4 Interpretative Provisions.

(a) All terms used herein which are defined in Article 1, Article 8 or Article 9 of the UCC relating to Grantor, and the Obligations and Collateral of Grantor, shall have the meanings given therein unless otherwise defined in this Agreement; provided, that, to the extent that the UCC is used to define any term herein and if such term is defined differently in different Articles of the UCC, the definition of such term contained in Article 9 of the UCC shall govern.

(b) All references to the plural herein shall also mean the singular and to the singular shall also mean the plural unless the context otherwise requires.

(c) All references to Grantor, Agent, Lender or other Secured Party pursuant to the definitions set forth in the recitals hereto, or to any other person herein, shall include their respective successors and permitted assigns.

(d) The words "hereof", "herein", "hereunder", "this Agreement" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not any particular provision of this Agreement and as this Agreement now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

(e) The word "including" when used in this Agreement shall mean "including, without limitation" and the word "will" when used in this Agreement shall be construed to have the same meaning and effect as the word "shall".

(f) All references to the term "good faith" used herein when applicable to Agent or any Lender shall mean, notwithstanding anything to the contrary contained herein or in the UCC, honesty in fact in the conduct or transaction concerned. Grantor shall have the burden of proving any lack of good faith on the part of Agent or any Lender alleged by Grantor at any time.

(g) Any accounting term used in this Agreement shall have, unless otherwise specifically provided herein, the meaning customarily given in accordance with GAAP, and all financial computations hereunder shall be computed unless otherwise specifically provided in the Loan Agreement, in accordance with GAAP as consistently applied.

(h) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including", the words "to" and "until" each mean "to but excluding" and the word "through" means "to and including".

(i) Unless otherwise expressly provided herein, (i) references herein to any agreement, document or instrument shall be deemed to include all subsequent amendments, modifications, supplements, extensions, renewals, restatements or replacements with respect thereto, but only to the extent the same are not prohibited by the terms hereof or of any other Loan Document, and (ii) references to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, recodifying, supplementing or interpreting the statute or regulation.

(j) The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

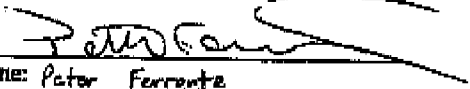
(k) This Agreement and other Loan Documents may use several different limitations, tests or measurements to regulate the same or similar matters. All such limitations, tests and measurements are cumulative and shall each be performed in accordance with their terms.

(l) This Agreement and the other Loan Documents are the result of negotiations among and have been reviewed by counsel to Agent and the other parties, and are the products of all parties. Accordingly, this Agreement and the other Loan Documents shall not be construed against Agent or Lenders merely because of Agent's or any Lender's involvement in their preparation.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Grantor has caused this Trademark Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

MEGA BRANDS INTERNATIONAL

By:   
Name: Peter Ferrante  
Title: Authorized Signatory

ACCEPTED AND ACKNOWLEDGED BY:

WACHOVIA CAPITAL FINANCE CORPORATION  
(NEW ENGLAND), as Agent

By: \_\_\_\_\_  
Name:  
Title:

[Signature Page to Trademark Security Agreement]

TRADEMARK  
REEL: 004178 FRAME: 0789

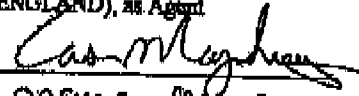
IN WITNESS WHEREOF, Grantor has caused this Trademark Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

MEGA BRANDS INTERNATIONAL

By: \_\_\_\_\_  
Name:  
Title:

ACCEPTED AND ACKNOWLEDGED BY:

WACHOVIA CAPITAL FINANCE CORPORATION  
(NEW ENGLAND), as Agent

By:   
Name: CASIMIR MALUREKIEWICZ  
Title: VICE PRESIDENT

[Signature Page to Trademark Security Agreement]

Trade Names

None

Common Law Trademarks

None

Trademarks Not Currently In Use

None